



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR SECOND SEMESTER EXAMINATION FOR

CRAFT CERTIFICATE IN PROCUMENT DEPARTMENT AND BUSINESS

ADMINISTRATION

1903/202: SUPPLY CHAIN MANAGEMENT AND PURCHASING PRINCIPLES

DATE: 26/3/2020

TIME: 8.30-11.30 AM

INSTRUCTIONS:

SECTION A

Answer all the questions in this section (32marks)

1. a) State **three** factors that a purchasing Officer may consider when determining the quality of materials (3 marks)
- b) Outline **three** methods of pricing materials in the market. (3 marks)
- c) State **three** reasons that influence a receiving Officer to reject goods delivered by a supplier. (3 marks)
- d) List **three** types of orders that may be used in the procurement process. (3 marks)
- e) State **four** factors that cause longer lead time in the procurement process (3 marks)
- f) Outline the objectives of the purchasing functions in an organization. (3 marks)
- g) Explain the factors considered in determining the quality of materials. (4 marks)
- h) Describe documents used in sourcing. (3 marks)
- i) Explain the factors in determining the right time to buy materials. (3 marks)
- j) Highlight the importance of the purchasing function in an organization. (4 marks)

SECTION B (68 MARKS): Answer any four questions from this section.

2. a) Explain four methods of materials specifications. (8 marks)

- b) Highlight six factors that influence the prices of materials in the market. (9 marks)
3. a) Identify six sources of information about the potential suppliers. (9 marks)
- b) Describe documents involved in the ordering/purchasing procedure. (8 marks)
4. a) Purchasing Manager was creating awareness to other departments about specification of materials. He emphasized on the purpose of specification. Explain. (8 marks)
- b) Highlight the factors to consider when determining the sources of supply. (9 marks)
5. a) Explain types of orders as stipulated in purchasing procedure . (8 marks)
- b) Teki Enterprise has decided to centralize its purchasing function. Explain six reasons that may have influenced the firm to make the decision. (9 marks)
6. a) Explain four measures that an organization may institute to ensure timely delivery of goods. (8 marks)
- b) Highlight six factors that an Inspection and Acceptance officer may consider when selecting a method to use in inspecting delivered goods. (9 marks)